

From: Emile Farge <ejfhomeloan@comcast.net> on 04/01/2008 03:40:04 PM

Subject: Regulation Z

Sirs

I hope that your consulting with those in the business will prove helpful to the consumers -- there have been so many difficult times and problematic loans that something must be done. In my role as mortgage broker I study lots of rate sheets and my clients pay less because I compare, shop and show them the best rates for their level of assets, income, credit and debt ratio.

In my own opinion ruling brokers OUT of the business will have many clients at the behest of banks and thrifts. The bank that the borrower goes to has only its own programs and its own rates. While I admit that there are deceptive practices among brokers, I can't remove banks from that same list! Look at the huge public debt brought on us by real estate loans during the 1980's (after Pres. Reagan "got the government off our backs") and allowed thrifts to run wild. Mortgage brokers since that time have grown to a greater market share of home loans precisely because we are more accountable, and less perceived as "mindless bureaucrats." We need to remain close to our purchasers.

I hope that the new regulations will INCREASE rather than diminish competition and that all of us must follow the same regulations -- especially on requiring the same disclosures. In our business (as equally in auto purchase) the "yield spread" is controversial and certainly can be abused. Here in Georgia the Fair Lending Act makes the entire package for closing the loan sum to less than 5% of the loan amount. That is one way to control costs. Capping yield spread is another.

As you compose new regulations, please consult with the professional associations of brokers -- there are good legal and ethical minds to help!

Should you want to contact me, please see below my contact information.

Thanks Emile J. Farge

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